



Zero-fare Study



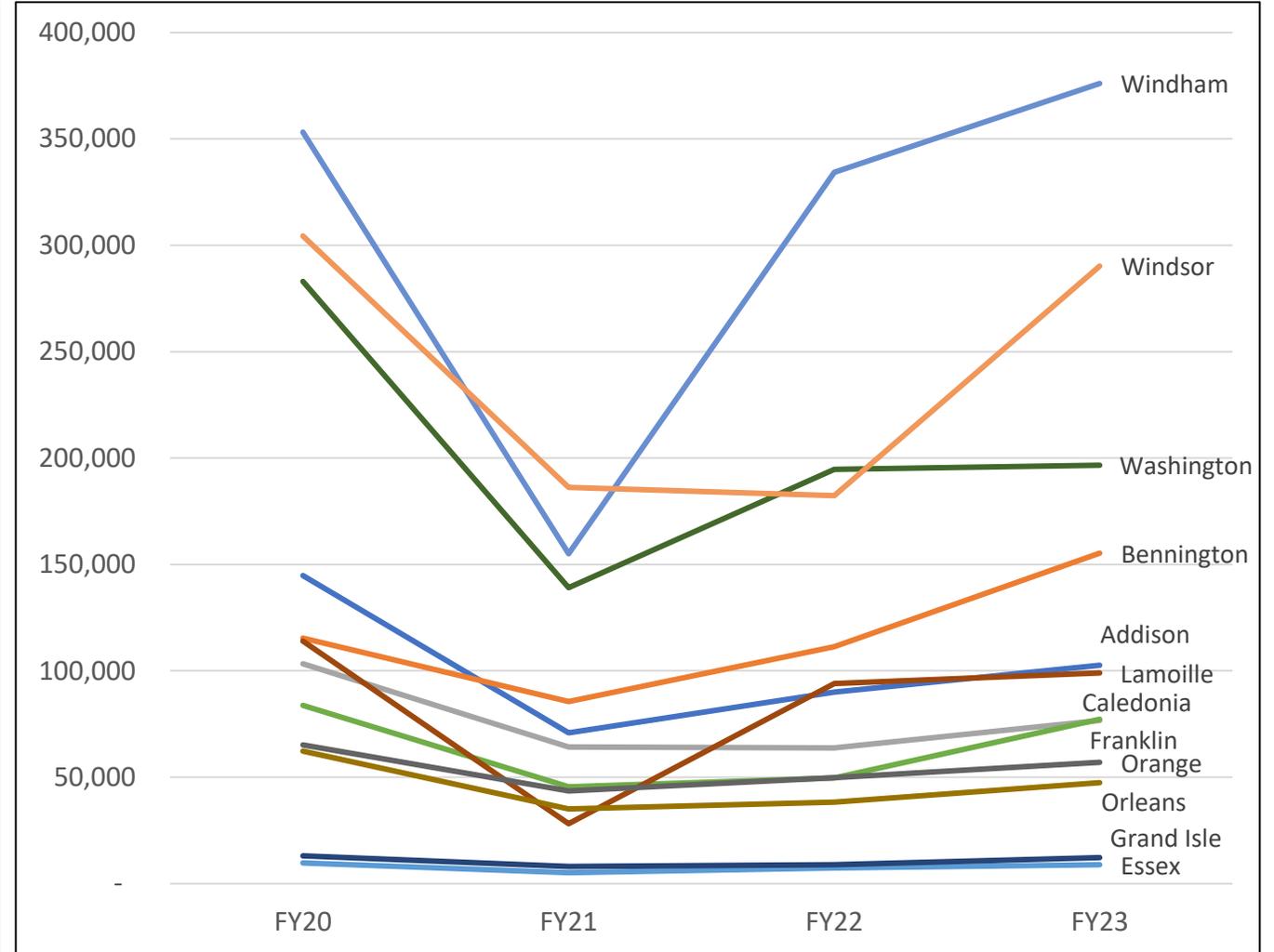
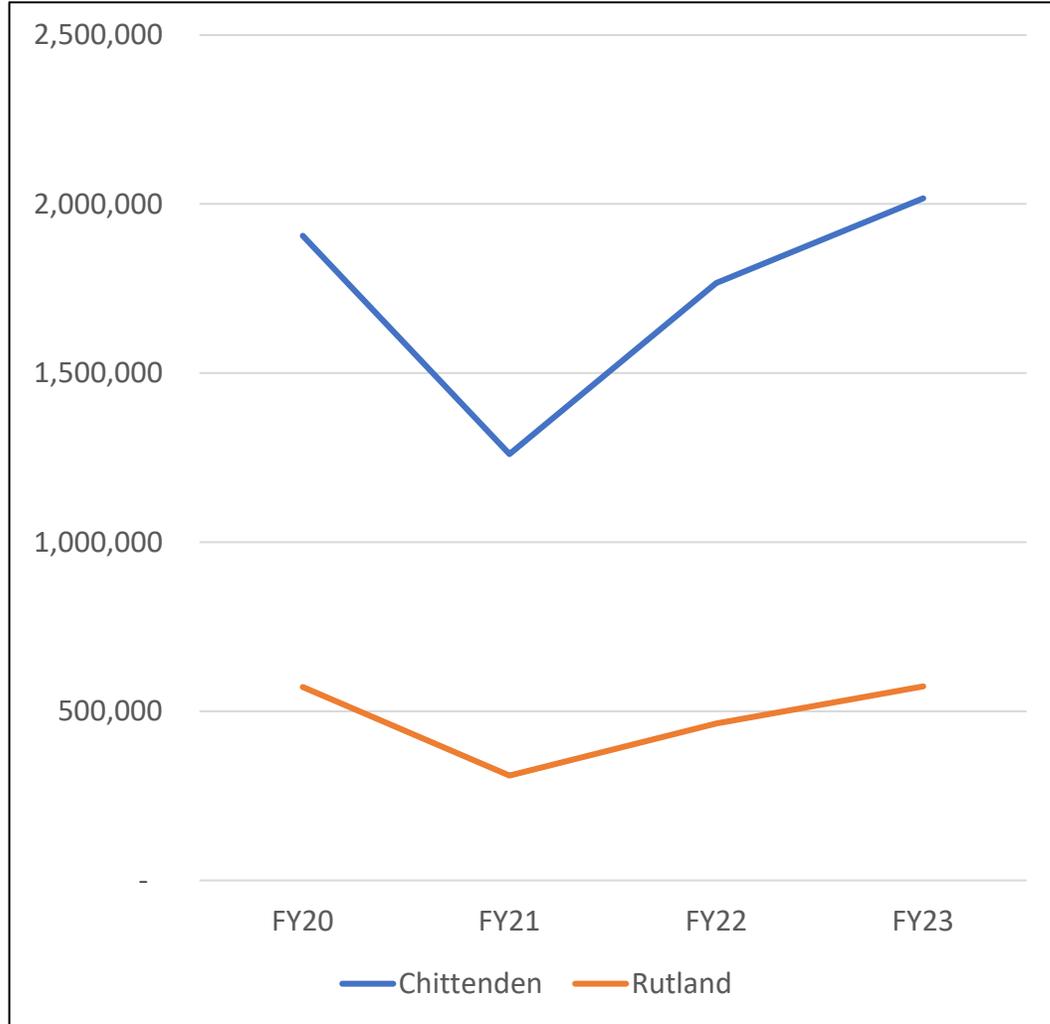
Senate Transportation Committee

February 2, 2023

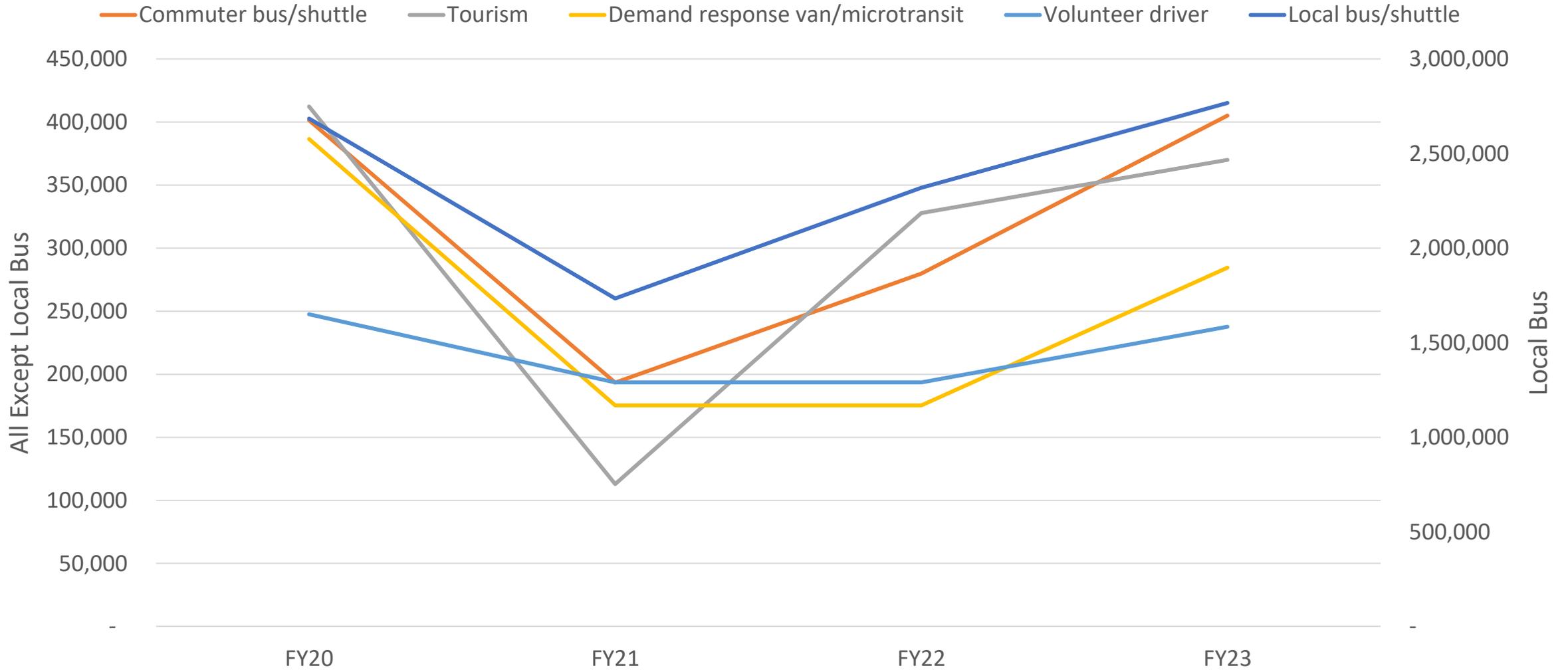
Zero-Fare Study Scope

- Assess impacts of extending zero-fare policy through SFY 2024
- Study ridership trends from FY20 through Q1 FY23
 - By county
 - By type of service
- Forecast ridership and revenue impacts
- Consider impacts on ADA and NEMT service and finances

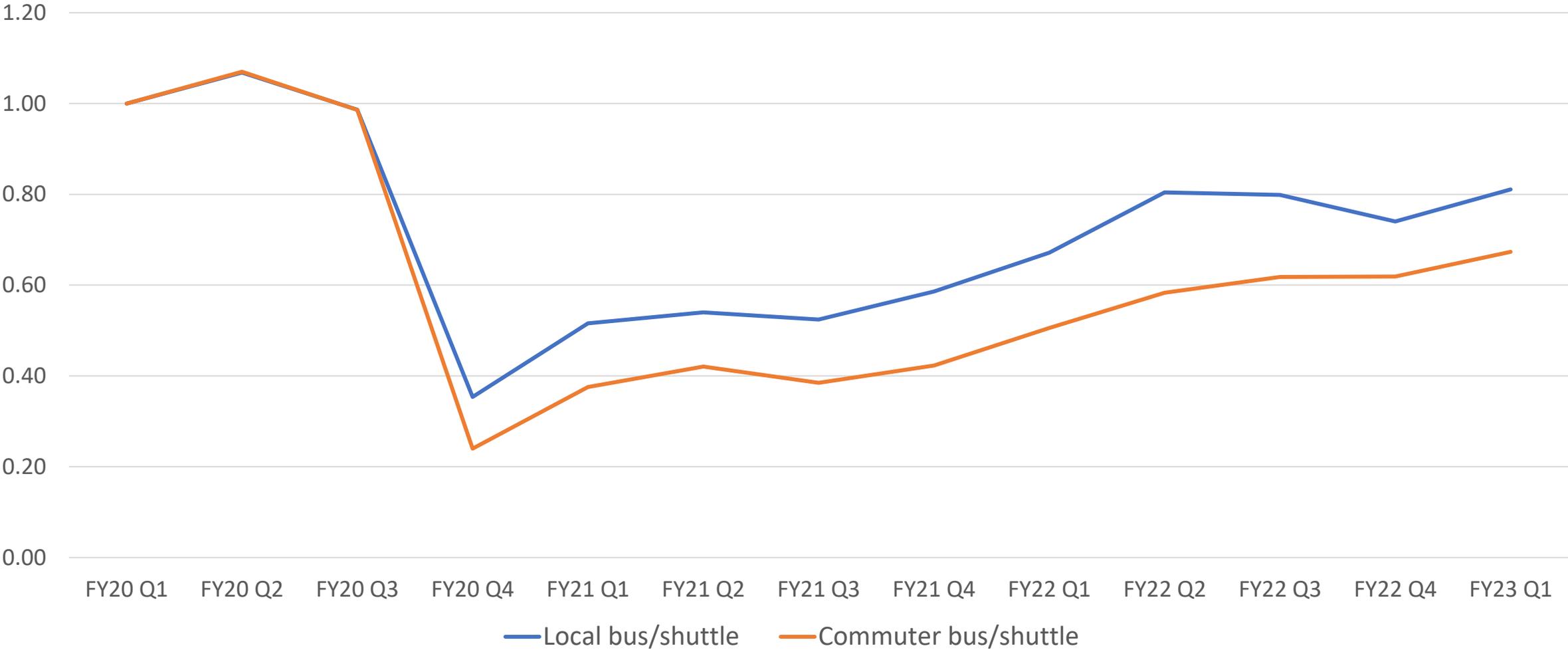
Ridership by County



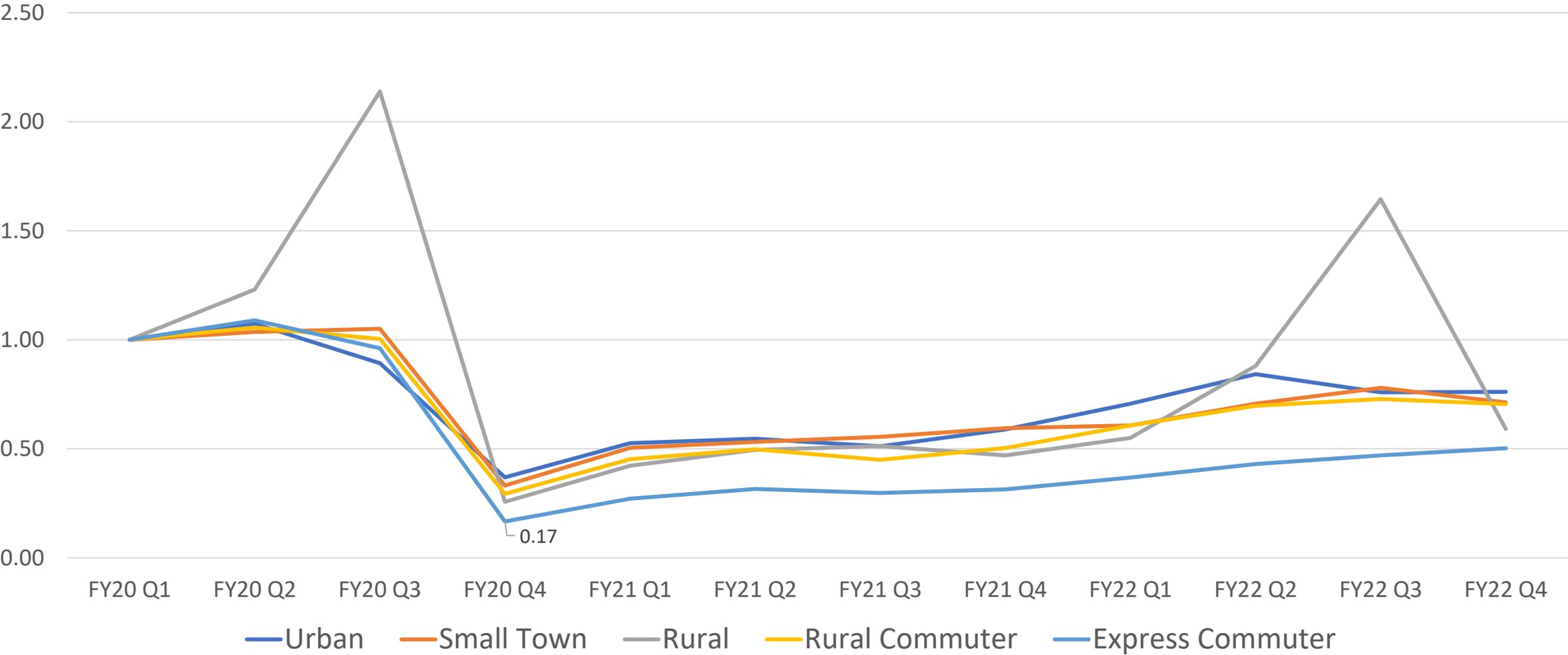
Ridership by Type of Service



Quarterly Ridership Index for Local and Commuter Routes



Quarterly Index by Route Class



Forecasting Process

- Exclusions
 - All demand response (E&D, NEMT) other than MyRide by GMT
 - All Tourism services (all fare free)
- Forecast FY23 ridership based on Q1 results
 - Compare Q1 of FY23 to Q1 of FY22
 - Extrapolate results to other quarters
- Forecast FY24 ridership based on FY23 forecast
 - Divide routes into fare-free and former fare
 - Compare ridership level to pre-pandemic
 - Apply variable growth rates
 - Higher growth rates for routes that were still well below pre-pandemic levels
 - Greater losses from reimposition of fares on routes with faster growth

Ridership Forecasts

Agency	FY22 Actual	FY23 Forecast	FY24 with fares	FY24 without fares	Ridership loss from fares
AT (always fare free)	136,177	153,000	172,000	172,000	-
GMCN	73,013	108,000	103,000	115,000	(13,000)
GMT-Rural	140,775	164,000	159,000	183,000	(25,000)
GMT-Urban	1,725,475	2,018,000	1,826,000	2,167,000	(340,000)
MVRTD	299,465	368,000	366,000	405,000	(39,000)
RCT (always fare free)	50,289	59,000	67,000	67,000	-
SEVT	194,405	301,000	267,000	320,000	(53,000)
TVT	99,637	119,000	127,000	142,000	(15,000)
Statewide	2,719,236	3,288,000	3,086,000	3,571,000	(485,000)
Statewide Non-Urban	993,761	1,271,000	1,260,000	1,405,000	(145,000)

Foregone Fare Revenue

Agency	FY24 Fare Revenue
AT	\$0
GMCN	\$34,000
GMT-Rural	\$117,000
GMT-Urban	\$1,920,000
MVRTD	\$131,000
RCT	\$0
SEVT	\$108,000
TVT	\$63,000
Statewide	\$2,371,000
Statewide Non-Urban	\$453,000

Costs of Fare Collection

- GMT estimates annual urban cost of \$36,000 exclusive of staff time
- Rural providers collectively (MVRTD, SEVT, TVT, GMCN, GMT) estimate annual cost of \$150,000 (29% of total revenue collected in FY19)
- Most providers indicated no near-term capital cost (adequate fareboxes available), but SEVT estimates \$37,000 near-term cost
- Impacts on revenue
 - GMT Urban net revenue of \$1.88 million
 - Rural net revenue of \$303,000

Cost per Trip

- In rural areas, \$303,000 in net lost fare revenue results in 145,000 more trips
 - Effective cost per trip of \$2.09
 - Compares very favorably to cost of service for any route in Vermont, even urban routes
- In the urban area, \$1.88 million in net lost fare revenue results in 340,000 more trips
 - Effective cost per trip of \$5.55
 - Similar to the average cost per trip for urban routes

ADA and NEMT Impacts

- ADA ridership low outside of Chittenden County and still below FY20
- ADA trips in Chittenden have surged; nearly back to pre-pandemic levels
 - Lack of \$3 fare likely resulting in more trips
 - Fewer riders had other travel options
- FY24 foregone fare revenue for SSTA would be about \$140,000
- Total for others (MVRTD and SEVT) likely around \$6,000
- Lack of fare is contributing factor to loss of NEMT “members”
 - Medicaid recipient who accomplishes all trips by (fare-free) bus will drop off roster after 52 weeks
 - Drop in membership figures causing financial stress for VPTA contract

Conclusions

- Strong case for continuing zero-fare service outside of the urban area
 - Very low cost per trip
 - Impact on NEMT finances can be mitigated through higher PMPW rate
- Less justification for zero-fare service in Chittenden County
 - Very large budget hole to fill (\$1.9 million for fixed routes)
 - Cost per trip is much higher, similar to urban average cost per trip
 - ADA implications are significant
 - Additional lost revenue
 - Increased demand (at \$40 per trip)
- Rural microtransit should be exempted from zero-fare policy
 - Fare is only effective tool to reduce no-shows and late cancellations

Detail for GMT Urban Local Routes

Route	FY22 Actual	FY23 Projected	FY24 No Fare	FY24 With Fare	Lost Riders	Foregone Revenue
City Loop	47,465	63,000	66,000	54,000	13,000	\$51,000
Airport	69,501	108,000	127,000	97,000	29,000	\$93,000
Essex Junction	369,906	404,000	439,000	404,000	34,000	\$384,000
Neighborhood Specials	41,406	32,000	38,000	34,000	4,000	\$20,000
North Avenue	228,747	265,000	278,000	225,000	53,000	\$214,000
Pine Street	79,414	95,000	103,000	95,000	8,000	\$91,000
Riverside/Winooski	147,222	185,000	194,000	157,000	37,000	\$149,000
Shelburne Road	248,459	249,000	261,000	211,000	50,000	\$201,000
Williston	400,511	490,000	514,000	416,000	98,000	\$396,000
Williston/Essex Center	27,168	29,000	33,000	30,000	3,000	\$29,000
Total	1,659,799	1,920,000	2,053,000	1,723,000	329,000	\$1,628,000

Detail for GMT Urban Commuter Routes

Route	FY22 Actual	FY23 Projected	FY24 No Fare	FY24 With Fare	Lost Riders	Foregone Revenue
116 Commuter	1,782	2,600	3,000	2,700	300	\$5,000
Jeffersonville Commuter	5,729	7,000	8,000	7,000	1,000	\$14,000
Milton Commuter	11,390	15,000	16,000	15,000	1,000	\$23,000
Montpelier LINK Express	39,603	62,000	72,000	65,000	7,000	\$205,000
St. Albans LINK Express	7,172	12,000	14,000	12,000	1,000	\$46,000
Total	65,676	98,600	113,000	101,700	10,300	293,000